

CHAPTER 24

HOW TO ASK FOR A RAISE IT IS EASIER THAN YOU THINK, EVEN IN BAD TIMES

Do you feel underpaid and deserve a higher salary? Are you thinking about asking for a raise and not sure how to go about it? Does the thought of approaching your boss for a raise conjure up fear in you? In this chapter, I provide guidelines to make the task less intimidating. By following these guidelines you will be maximizing your chances for success and hopefully get the raise you want.

Here are the basic steps to follow when asking for your raise [1].

1. Do your research and build your case
2. Prepare and plan your presentation
3. Set up the meeting
4. Ask for the raise
5. Handle rejection

DO YOUR RESEARCH AND BUILD YOUR CASE

There is a lot of research you need to conduct prior to asking for the raise. You need to build your case and clearly identify why you deserve one.

Bad Reasons. First of all, do you have the right reasons? If you are asking for a raise because you need the money and can't pay your bills, you are asking for the wrong reason [2,3]. If paying your bills is the justification for your raise, your boss is more than likely to tell you that you have a personal financial problem—not a reason for them to give you a raise. Giving you a raise is not the answer. Look at the situation from your employer's prospective and base your case on why they would consider you for a raise and what you can do for them.

Another insufficient reason is that others in your group are being paid more and you feel your performance is as good as theirs. This is not a good reason since you do not know of all the experience and extra skills they have for which the company is willing to pay more. Managers know if they give a raise for this reason and word gets out, your entire group will be in the boss' office asking for a raise. This is a management nightmare and for this reason, managers do not give raises just because an employee feels they are doing just as good a job as others.

Right Reasons. The truly only right reasons for deserving a raise are that your job performance is outstanding and you are underpaid. You will need both of these reasons to build a solid case.

► **Career Tip.** Raises are justified on outstanding performance and being underpaid.

Underpaid. To build the case that you are underpaid, you will need to conduct some research. Here is research you should consider to establish the case that you are underpaid.

1. If you feel you are underpaid because others in the industry are getting considerably more, then research the salaries of others in the industry and show how your salary is below these. There are several websites that can provide salary data based on your job description like www.engineeringsalary.com and www.payscale.com. You can use the data provided by these and other sources to show how much your salary should be under the norm.
2. If you feel you are underpaid on the basis of your company's internal salary ranges, then you can build your case on the basis of this. By checking with your Human Resources department you can determine if you are being paid for your level and the rating you received. For instance, if you are rated an E3 and have been consistently receiving a performance rating of excellent, but are only being paid at the E3 level for average performers, then you definitely have a case to ask for a raise.
3. Cost-of-living adjustments is another good reason for being underpaid. If you have not been getting yearly cost-of-living raises your salary has actually decreased. Managers understand this since they are also subject to this. In addition, there are yearly salary range adjustments companies make based on market conditions alone. A company will increase the pay range to attract new hires and may not adjust the employee's salary. After several years of this happening, the employee is underpaid relative to new hires. Managers recognize this and consider it a reason for deserving a raise.

Outstanding Performance. To build the case for outstanding performance you will need to seriously review your accomplishments and overall job performance [3,4]. If you have been receiving average ratings, then this is going to be an extremely tough sell. If, however, you have been receiving outstanding ratings and awards, your case is much stronger.

Make a list of your recent significant accomplishments for the company and how they contributed to the bottom line. Document costs savings, productivity improvement, important projects achieved, above-the-call customer service, and ways in which you have contributed more than your job required [4]. Some other reasons for giving a raise might include extra revenue you generated, tight deadlines you've met or beat, new initiative you took above your normal job, and extra hours you put in.

Make a list of any additional responsibilities you have added to your job. An increase in responsibility, more employees supervised, or special projects are often grounds for an increase. Documented outstanding performance where you clearly went above the norm will definitely support your case for a pay increase.

Research Company Policy. Find out your company's policy on salary increases. Read your employee handbook, look at company policies, and check with your Human Resources department. Doing this should reveal the process whereby salary increases are granted. If a policy or a process exists, your best bet when asking for a pay raise is to follow the process exactly.

Other things to consider are raise cycles. Are all employees reviewed at the same time each year and are raises given only at that time? Does your boss have a budget to give you a raise? For the highest chance of successfully getting the raise you want, you have to know the company's policies regarding compensation—if your boss alone has authority to grant the raises or do other departments like Human Resources get involved? Once you have conducted and documented your research you are ready to move on to preparing and planning your presentation.

PREPARING AND PLANNING YOUR PRESENTATION

Here are some good actions to take when you start preparing and planning your presentation.

Networking. Network with other employees or engineers in the industry who might have recently asked for a raise. Professional associations also do salary surveys and provide networking opportunities with people in similar jobs. Ask how they prepared and if they have any recommendations for you.

Have a Reasonable Figure. After you have done your research into salaries, you should have a good idea of how much you are underpaid and what a fair and equitable raise would be. When it comes time to discuss how much of a

raise you want, talk of how much you are underpaid in terms of dollars per month. Using dollars to describe the amount underpaid makes it look better for you. When you discuss raises, put it in terms of percentage of increase; this number appears much smaller and easier for people to accept. This gives the appearance of being significantly underpaid and only a small percentage increase is requested.

Don't Use the Ultimatum Plan. Some people feel the right thing to do is give their boss an ultimatum. Give me the raise or I quit is their approach. Many managers faced with this situation will simply call your bluff. Considering the employment situation and job competition today, this approach is not recommended [5].

Practice. Practice and rehearse your pitch at least five times before you meet with the boss [6]. Practicing will help you appear confident and firm about your request [6].

Timing. Timing is everything, including how your company stock is doing, how the project you are working on is going, time of year, day of the week and hour. The ideal case is to ask just after the company announces record sales and profits just as you successfully completed a very difficult assignment. Studies have shown that at on Fridays, workers are in the best mood, and therefore more agreeable rather than at the beginning of the week, and especially not on a Monday [7]. Try to pick a time during month that is not your boss' busiest time. A time when your boss will not be distracted by deadlines and will have some extra time to work your request.

Familiarize yourself with your employer's pay practices. If increases only occur once a year, you are unlikely to receive a raise at any other time. If your company offers more frequent increases, you'll have more luck asking for a raise.

Asking During Tough Times. Your company might be losing money because of a downturn but if you can prove that you're vital to getting the company through the recession, then a raise is assured [8]. Also, if the company may have downsized and as a consequence you've taken on additional responsibility and people that warrants a higher salary or promotion.

Anticipate Objections. Your boss is going to give you objections and you should be prepared to have answers that overcome these objections. Here are some objections you might encounter and good answers.

"I can't give you a raise, I don't have the budget and I need upper management approval.": Your response to this needs to stay focused on two reasons: underpaid and excellent performance. Again repeat your best reasons and then ask what is needed to get the budget and upper management approval. Point out how by your excellent performance you overcame barriers like these and you are sure your boss can overcome these too.

"It's not raise time, therefore I cannot do anything.": For this objection you can focus on what you can do. First, the response indicates the boss is not arguing with your reasons and must believe they are good. State this

obvious fact to get agreement that this is the case. Next, set the stage for the next raise period by asking if you can expect the raise during the next salary adjustment period. If the answer is still no, then probe further and ask what is the reason.

“I don’t know if I can.”. This is most common since the boss may not really know if it is possible to get you a raise. Your response is to ask what should we do to find out if you can. Who else should we be talking to?

Now that you are prepared, it’s time to contact your supervisor and set up a time to talk.

SET UP THE MEETING

Set up a meeting a couple of days in advance with your immediate supervisor to discuss your compensation. It is a good idea to explain that the purpose of the meeting is your desire to discuss your pay in light of your recent accomplishments and pay relative to your overall performance on the job. This will show your boss how serious you are about asking for a raise [9]. Don’t discuss your raise by e-mail, in the hallway, between meetings, or by telephone. Meet with your boss in person.

Give your supervisor time to prepare for the meeting. Your boss will want time to do their own research into company policies and consult with Human Resources. It is best to pick a neutral meeting place like a conference room with a door instead of the boss’ or your office.

ASKING FOR THE RAISE

Start the meeting on a pleasant note and make some small talk to begin. After a few minutes transition to the reason why you are there. Start with reviewing the performance reasons why you deserve a raise. State the reasons slowly and directly and make eye contact. It is okay to talk from a note sheet. Let the boss respond to your reasons and try to have a two-way conversation.

Then follow your reasons with how you consider your salary low and that you deserve a raise. Show the evidence you have about how low you think your salary is and the size of the adjustment you consider reasonable. Keep it strictly professional with no shouting or yelling and discuss everything in a confident and firm voice.

Make it perfectly clear as you summarize that you want a X% raise and would like to know if the boss is going to work to help you get it. Then stop talking and let the boss respond. Listen closely to the reasons being given. Is the boss saying no, maybe, or yes? If yes, then you want to tell him you are glad to hear it, appreciate how your boss agrees with you, and how you are looking forward to the raise. If the boss is saying anything other than yes, then you are on to the rejection scenario.

HANDLING REJECTION

Getting a “no” from the boss does not have to be the final word. If your boss is not able or willing to grant your request for a raise then have a Plan B. You can ask your boss for other perks in lieu of a raise such as additional vacation days, more job flexibility, or a change of office, if this is acceptable to you. Another way to deal with rejection is to ask what you can do in the next six months to make this conversation successful the next time. Ask the boss to be as specific as possible.

Do not respond with anger or by threatening. You will need to continue to interface with your boss on daily assignments and putting up walls around you is never going to help your cause. Another natural reaction is to cut back on your work in retaliation for the rejection. Some people think if they are not going to pay me more then I am going to do less. Keep your performance up, continue to show them you deserve it, and get ready for the cycle of raises.

SUMMARY

There are just two basic reasons why a company will give you a raise. The first is that your performance is outstanding, and the second is you are underpaid. The wrong reason for asking for a raise is because you need money to pay your bills. The basic steps to follow when asking for your raise are:

1. Do your research and build your case
2. Prepare and plan your presentation
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If you follow these guidelines and present a compelling case, you are more than likely going to be successful. Set up a special one-on-one meeting with your boss and come prepared to present your case and handle objections. Look your boss directly in the eyes and speak with confidence about your desire for a raise. Do not have an emotional and bitter exchange with your boss since it is only going to seriously hurt your career. Be prepared for “no” and have a Plan B just in case.

Have you identified any career actions you want to take as a result of reading this chapter? If so, please make sure to capture these ideas before you forget by recording them in the notes section at the back of the book.

ASSIGNMENTS AND DISCUSSION TOPICS

- 1 What are the only two good reasons to grant a raise?
- 2 What are bad reasons?
- 3 Why is it important to control the timing?

REFERENCES

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